

Message Text

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TO AMEMBASSY PARIS IMMEDIATE

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E.O. 11652: N/A

TAGS: ENRG

SUBJECT: NEWSPAPER REACTIONS TO CHICAGO SPEECH

FOR ASSISTANT SECRETARY ENDERS

1. FOLLOWING ARE SUNDAY, NOVEMBER 16 NEWSPAPER REACTIONS
TO CHICAGO SPEECH (EDITORIALS UNLESS OTHERWISE NOTED):

TIMES- WEEK IN REVIEW:

-- SPEECH AS LIKELY TO HASTEN CONSUMER-PRODUCER CON-
FRONTATION;

-- UNIVERSAL CONSUMER ACCEPTANCE UNLIKELY. INDEPENDENT
COURSES ALREADY TAKEN BY FRANCE AND NORWAY;

-- RECENT PRODUCER PRICE ACTIONS SHOW CONTINUED ABILITY
TO CONFRONT CONSUMERS.

POST:

---SPEECH IS "BEST REASON FOR HOPING INDUSTRIAL COUNTRIES
ARE NOT GOING TO KEEP SITTING ON THEIR HANDS" WHILE
RISING OIL PRICES THROW THEIR ECONOMIES AND POLITICS INTO
TURMOIL;

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-- DIFFERENTIAL RISK AND VULNERABILITY STILL MAJOR
OBSTACLE TO CONSUMER SOLIDARITY;

-- DOUBT IF ADMINISTRATION HAS POLITICAL WILL TO IMPLE-
MENT PROPOSALS.

BALTIMORE SUN:

-- PROPOSALS REPRESENT "CONSUMER SOLIDARITY" WITH REAL
POTENTIAL. ONLY WAY TO DEAL WITH CARTEL;

-- IMPLEMENTATION WOULD LEAD TO MAXIMUM USE OF WESTERN
POLITICAL AND ECONOMIC LEVERAGE AGAINST PRODUCERS.

STAR:

-- CONSUMERS HOPING FOR BREAKTHROUGH ON SECURITY OF
ACCESS AND ON PRICES. INSTEAD GOT "AMALGAM OF DREARY
PROPOSALS THAT AT BEST WOULD LEAVE US FAR FROM IDEAL
SOLUTION";

-- "SAFETY NET" RATIFIES HIGH PRICES AND DOES NOT
ELIMINATE DEFICITS OR SHIFT OF WEALTH;

-- COMMON CONSUMER POLICY TOWARD PRODUCERS SHOULD BE
RELATIVELY SIMPLE TO ACHIEVE; SPEECH DOES LITTLE TO
ENCOURAGE THIS GOAL.

2. PRESS REACTIONS MONDAY, NOVEMBER 18:

POST - ALSOP:

-- SAFETY NET IS FIRST SERIOUS SUGGESTION FOR DEALING
WITH VAST CRISIS NO ONE HAS KNOWN WHAT TO DO ABOUT;

-- WILL BE REMEMBERED AS TURNING POINT, ALMOST LIKE
MARSHALL PLAN;

-- FOREIGN, ESPECIALLY FRENCH REACTION UNFORTUNATELY
NEGATIVE. HOWEVER, OTHER PROPOSED MEMBERS WILL PAY
DUES AND JOIN; THERE IS NO VISIBLE ALTERNATIVE;

-- DOUBTFUL THAT OTHER COUNTRIES AND US HAVE SELF-
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DISCIPLINE TO MAKE PROPOSALS FLY; US CONGRESS LIKELY
TO DRAG FEET.

TIMES:

-- SPEECH SIGNIFICANT IN THAT IT DROPS OPTIMISTIC
ASSUMPTION THAT DIPLOMATIC OFFENSIVE AND DEMAND RESTRAINT
WILL LEAD TO EARLY REDUCTION IN PRICES. EQUILIBRIUM

PRICE CAN ONLY BE ACHIEVED IN LONG RUN;

-- PROPOSALS DO ADDRESS FINANCIAL NEEDS OF INDUSTRIAL
AND POOR COUNTRIES;

-- CONSERVATION AND R AND D PROPOSALS POINT IN RIGHT
DIRECTION; US MUST LEAD THE WAY. WHITE HOUSE MUST
OVERCOME ITS RELUCTANCE TO TAKE NECESSARY TAX MEASURES.

JOURNAL OF COMMERCE:

-- RECYCLING PROPOSAL IS REVERSAL OF US POLICY;

-- AFFECT OF US RECYCLING PLAN WILL BE TO RAISE INTERESTS
RATES IN SOME COUNTRIES, LOWER THEM IN OTHERS, AND REDUCE
PRICE OF GOLD;

-- FALL IN GOLD PRICE RESULT OF FINANCING IMF TRUST
FUND AND OF US DOMESTIC SALES;

-- MAGNITUDE OF US PLAN MEANS DIMINISHED RECYCLING ROLE
FOR IMF. INGERSOLL

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